

# Mayor's Office of Equal Opportunity

**CITY OF CLEVELAND:** *Compliance Monitoring Efforts in 2019*

## 2019 ANNUAL REPORT



*Photo Credit: City of Cleveland Photographic Bureau*

**City of Cleveland**

**Frank G. Jackson, Mayor**

**601 Lakeside Avenue, Room 335**

**Cleveland, Ohio 44114**

*June 22, 2020*

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## Letter from the Director

The City of Cleveland and the Mayor's Office of Equal Opportunity (OEO) continues to fulfill the Mayor's mission for the office, "**advancing equal economic benefit for all Clevelanders.**" By effectively administering, monitoring, and enforcing overall contract compliance goals and requirements, OEO serves as an advocate for business inclusion and resident employment within the community. The foundation of OEO's work is divided into four main functions including: 1) certification; 2) Good Faith Effort evaluation; 3) contract compliance; and 4) contract closeout. Through contracting, the functions of OEO provide Cleveland residents a pathway to self-sufficiency for all including minorities, females, and Cleveland-Area small businesses.

As a year in review, 2019 was a year of mixed results for OEO. During the year's first quarter, the Division of Purchases and Supplies (Purchases) and OEO applied for and received a grant from Living Cities' *City Accelerator on Procurement: Accelerating Innovation*. From an OEO perspective, the purpose of this grant is to support the department's agenda of assisting contractors with building the bandwidth of their business by providing an opportunity to work on City of Cleveland contracts (contracts below \$50K). The Office of Equal Opportunity's **Small Contractor's Rotation Program (SCRIP)**, along with the Division of Purchases and Supplies **CGI Vendor Self Service System (VSS)**, provides very small businesses (businesses with less than three million dollars over a three year period) with growth opportunities in which experience is gained as the smaller contractors work on City contracts.

While receiving the Living Cities' grant was certainly a "high" note for OEO, the fourth quarter of the year ended on a "low" note. On December 24, 2019, the Ohio Supreme Court declined to reconsider its earlier ruling that the Fannie M. Lewis Cleveland Resident Employment Law (C.O. Chapter 188) on public construction contracts. Therefore, the City of Cleveland can no longer enforce the Fannie Lewis Law's requirements to employ City Residents and Low-Income Residents on its construction contracts.

Although the Court let its original ruling stand, the City's construction contracts valued at \$100,000 and above that were entered into prior to December 24, 2019 are still subject to penalties, if the contractors fail to meet the contract obligations. On those contracts, the contractor will still be required to employ City Residents for 20% of the construction worker

hours, along with Low-Income Residents for 4% of the 20% of construction worker hours, and will still be required to submit certified payrolls to show compliance of this obligation.

As the work of the Office moves into 2020, the Department is focusing on the following specific goals: 1) Implementing the Small Contract Rotation Program through the Living Cities grant; 2) Designing a strategy on ways OEO can employ Cleveland Residents beyond the Fannie Lewis Law; 3) Creating a systematic approach to certifying more contractors in the areas where the City is currently lacking certified contractors; and 4) Identifying and securing another grant to assist with creating opportunities for wealth creation through procurement and sourcing. OEO remains committed to advancing equal economic benefits and opportunities for all Clevelanders.



**Dr. Melissa K. Burrows**

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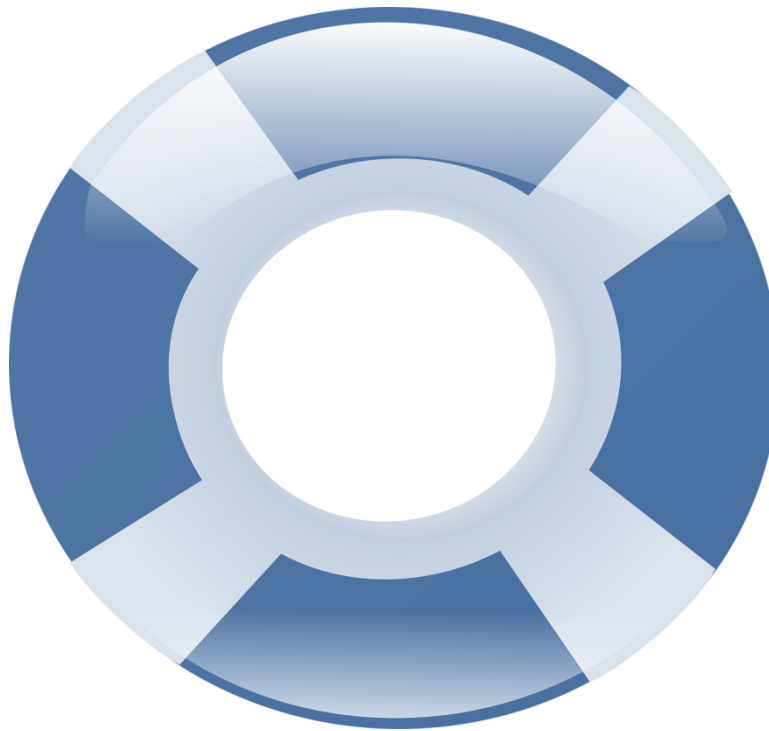
*“For over 14 years, the City of Cleveland has used the Cleveland Resident Employment Law (Fannie Lewis Law) as an effective tool to both stimulate the local economy and connect Clevelanders to employment. There are billions of dollars of development happening in our city. However, now it is time to take the next step. We will, with help from the Living Cities grant, establish wealth creation by expanding current efforts and creating a sustained model of procuring and sourcing within the local economy.”*

**Mayor Frank G. Jackson**



## 1. Certification

*Certifies businesses as local small businesses, minority-owned businesses, and/or female-owned businesses, and provides outreach.*



## 2. Evaluation

*Evaluates Good Faith Effort of bidders to meet subcontracting goals on contracts prior to award.*

## 3. Compliance

*Monitors contracts for compliance with MBE, FBE, and CSB subcontractor participation as well as Cleveland Residency and Cleveland Low Income workforce participation.*

## 4. Closeout

*Evaluates final contract compliance at contract closeout, and assesses penalties where applicable.*



## OEO Staff

The Mayor's Office of Equal Opportunity (OEO) is responsible for the administration, monitoring and enforcement of the Cleveland Business Code, an ordinance that impacts Minority Business Enterprises (MBEs), Female Business Enterprises (FBEs), Cleveland-Area Small Businesses (CSBs), Local Producers (LPEs), Local Sustainable Businesses (SUBEs), along with the Fannie M. Lewis Cleveland Resident Employment Law. The OEO staff is committed to enforcement of Cleveland Codified Ordinances Chapters 187, 187A, and 188.



*Photo Credit: Bill Rieter, City of Cleveland Photographic Bureau*

## OEO Staff Members

### **Dr. Melissa K. Burrows**

### *OEO Director*

As director, Melissa is responsible for leading efforts of contract monitoring and enforcing the City of Cleveland's Codified Ordinances as a way of promoting equity and inclusion efforts through compliance and promoting "Self Help", along with providing oversight as the office certifies, evaluates, monitors, and closes out public improvement contracts beginning at \$50,000. Melissa joined the City and the Department in 2014.

### **Michael Curry**

### *Assistant OEO Director*

As assistant director, Michael is responsible for providing oversight of contract compliance monitoring, including all compliance administration. Additionally, Michael facilitates technology implementation and training for the Office of Equal Opportunity. Michael joined the City and the Department in 2007.

### **Andrew Bean**

### *Contract Compliance Officer*

As a contract compliance officer, Andrew is responsible for monitoring projects in the Department of Public Works and the Mayor's Office of Capital Projects. He also serves on several of the City's Opportunity Corridor policy subcommittees. Andrew joined the City and the Department in 2014.

### **Barbara Esperon**

### *Administrative Manager*

As an administrative manager, Barbara is responsible for projects in the Department of Economic Development. She is responsible for developing the Citywide Prevailing Wage Program and leading citywide Prevailing Wage Coordinators in standardizing, documenting, and implementing the Davis-Bacon and State of Ohio's Revised Code (ORC) 4115 Prevailing Wage monitoring procedures, protocol, forms, and systems. Barbara joined the City and the Department in 2011.

### **Nora Singleton**

### *Certification Officer*

As a certification officer, Nora is responsible for reviewing and processing applications for contract certification. Nora provides outreach, technical support, and customer service for business development. Nora joined the City and Department in 2007.

**Hank Swager***Contract Compliance Officer*

As a contract compliance officer, Hank is responsible for monitoring all projects for the Department of Public Utilities, Cleveland Water, Cleveland Public Power and Water Pollution Control. Hank joined the City and the Department in 2011.

**Jeremiah Triplett, Sr.***Assistant Contract Compliance Officer*

As an assistant contract compliance officer, Jeremiah is responsible for monitoring projects in the Department of Community Development. Jeremiah serves in multiple capacities including: project monitoring, good-faith efforts evaluations, project close-outs, systems training, and overall compliance. Jeremiah joined the City and the Department in 2013.

**Tiffany Washington***Contract Compliance Officer*

As a contract compliance officer, Tiffany is responsible for monitoring projects for various departments, along with reviewing and processing applications for contractor certification. Tiffany joined the City and Department in 2019.

**Jennifer Wiman***Contract Compliance Officer*

As a contract compliance officer, Jenn is responsible for monitoring the Department of Port Control's city funded projects, good faith effort evaluations, project close-outs and overall compliance. Jenn joined the City in 1994 and the Department in 2004.



## Executive Summary

The Office of Equal Opportunity's (OEO) Annual Report represents the City's spend on contracting for the 2019 calendar year, outreach efforts to encourage and ensure inclusion, and the Department's outlook for 2020. The report is organized into several sections based on the Office's functionality including: Mission and Standards; Certification Team; Evaluation Team; and Compliance Team. Additionally, the report includes summaries from the Closeout/Penalty Team; Community Development and Economic Development Departments; and Community Benefits Agreements. Finally, the report provides a summary of results on contracts awarded in 2019 based on participation goals and requirements for contracts beginning at \$50,000.

During the 2019 fiscal year, the City of Cleveland invested in **125** OEO evaluated contracts valued at **\$226,787,347.05** compared to \$168,199,678.66 in 2018. The total amount does not include Community Development (CD) and Economic Development (ED) projects. Although both CD and ED projects receive City funding, the contracts are not approved through the City's standard contracting processes of the Board of Control.

In 2019, certified prime contractors were awarded **\$102,504,630.80** compared to \$58,007,937.48 in 2018 representing a 76.7% increase of all contracts awarded. Subcontractors were awarded a total of **\$69,139,086.72 with \$60,813,660.35** awarded to certified subcontractors in 2019.

While approximately **26.8%** of contracts awarded includes all bid contracts that were issued with subcontracting goals attached, the percentage does not include those contracts where goals were waived due to impossibility or impracticality of subcontracting, given the nature of the product or service being procured. Additionally, no design/build contracts were awarded in 2019.

Along with overseeing contracts, the Office is engaged in other activities including: determining next steps now that the Fannie M. Lewis Cleveland Resident Employment Law has ceased; offering contractors the opportunity of reciprocal certification between the State of Ohio and the City; implementing the grant from Living Cities for the Small Contract Rotation Program; and partnering with The Ohio Department of Transportation on Opportunity Corridor through the Neighborhood Economic Impact & Equity Committee.

## OEO's Mission, Standards and Ordinances

### OEO Mission

The mission of the Office of Equal Opportunity is, “to advance equal economic benefit for all Clevelanders by ensuring compliance with contractor goals and requirements, by providing development and supporting activity for target groups and by overall advocacy with a commitment to excellent public service.”

### OEO Standards

OEO administers, monitors, and enforces compliance for Minority Business Enterprise (MBE), Female Business Enterprise (FBE), and Cleveland-Area Small Businesses (CSB) on municipal contracts. There are three teams within the department that handle the following administrative tasks:

1. **Certification Team:** Certifies businesses as local small businesses, minority-owned businesses, and/or female-owned businesses, and provides outreach.
2. **Evaluation Team:** Evaluates the Good Faith Effort of bidders to meet subcontracting goals on contracts, prior to award.
3. **Compliance Team:** Monitors contracts for compliance with MBE, FBE, and CSB subcontractor participation, as well as, workforce participation.
4. **Closeout Team:** Evaluates final contract compliance at the close of the contract and assesses penalties, where applicable.

### OEO Ordinances

**Chapter 123.08:** Prevailing Wage

**Chapter 187:** *Cleveland-Area Small Business Code*

**Chapter 187A:** *Local Producer and Sustainable Business Preference Code*

**Chapter 188:** *Fannie M. Lewis Cleveland Resident Employment Law*

**Chapter 189:** *Cleveland Fair Employment Law*

## Certification Team

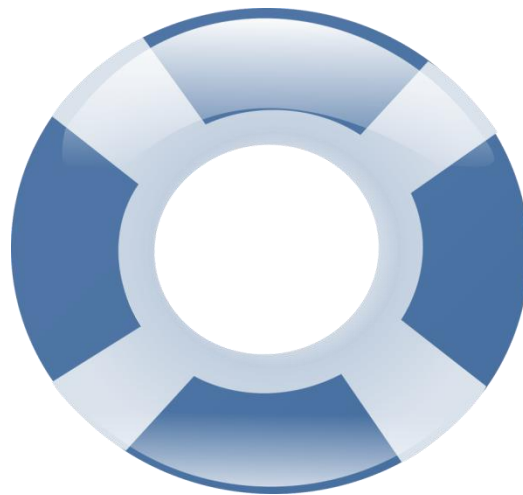
The Certification Team reviews and processes applications of companies seeking certification based on eligibility by the City of Cleveland's Office of Equal Opportunity as one or more of the following:

- Cleveland Small Business (CSB)
- Minority Business Enterprise (MBE)
- Female Business Enterprise (FBE)
- Local Producer Enterprise (LPE)
- Storefront Renovation Program (SRP)
- Local Sustainable Enterprise (SUBE)
- Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)

The Team maintains a registry of certified contractors and conducts a significant amount of outreach. The Certification Team handles various consultations throughout the year by providing in-depth information to applicants regarding doing business with the City; business development and outreach; and conducting one-on-one meetings with contractors. In 2019, the City, along with various certifying organizations, partnered with the Urban League's Minority Business Assistance Center as they assist businesses with becoming certified. The certifying organizations meet twice a month and provide in-depth technical support assistance to businesses.

### Certification

*Certifies businesses as local small businesses, minority-owned businesses, and/or female-owned businesses, and provides outreach.*



## The James H. Walker/Turner Construction Management Program

As an example of business development and outreach, the James H. Walker Construction Management Program is sponsored by the City of Cleveland, Turner Construction Company, and Cuyahoga Community College. The purpose of the program is to build capacity of small businesses by providing them with business management competencies, including but not limited to estimating, accounting, marketing, and several other construction management areas that allow construction companies to become more efficient and prosperous.

The Walker program is a twelve session course with classes held once a week. The course is taught by experienced construction and management professionals in their various fields of expertise. To date, over 2,248 entrepreneurs, small as well as major business owners and trades people have taken this course and are now operating successful and distinguished businesses. The course is named in honor of the late James H. Walker, a former employee of the City of Cleveland. Mr. Walker advocated for the advancement of minorities in construction and general contracting. In 2019, the program marked its 50<sup>th</sup> anniversary with a reception.

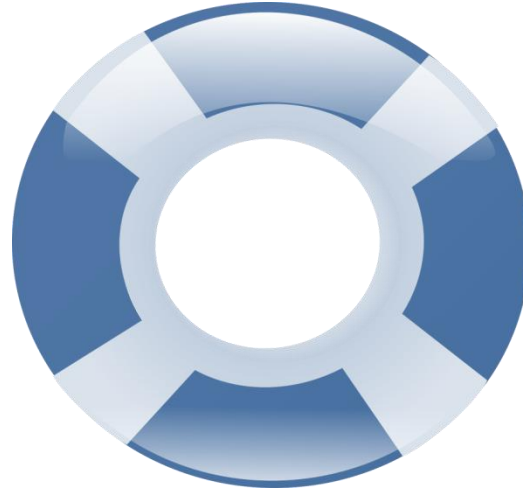


## Evaluation Team

The Evaluation Team is responsible for evaluating OEO's *Notice to Bidders Schedules* to determine whether a "good-faith effort" has been made to utilize CSB, MBE and FBE subcontractors. They are also responsible for determining whether or not a goal can be waived or reduced and for evaluating and approving Requests for Proposal (RFP), Requests for Qualifications (RFQ) and mailing lists. The Evaluation Team prepares for and attends Board of Control Meetings (BOC) and Consultant Review Committee (CRC) meetings in an advisory capacity.

### Evaluation

*Evaluates Good Faith Effort  
of bidders to meet  
subcontracting goals on  
contracts prior to award.*



### Good Faith Effort

A major function of OEO is the evaluation of a contractor's commitment to utilize certified subcontractors on contracts, as submitted through documentation with bid packages. The evaluation is based on a contractor's "good faith effort" to achieve goals on inclusion. Specifically, OEO reviews Schedules 1 through 4 to determine whether the contractor has made a good-faith effort to employ CSB, MBE, and FBE subcontractors, as applicable to the contract. To make their determination, OEO examines primarily the following checklist that is also included in the OEO Notice to Bidders Schedules 1-4. This checklist not only serves as a guide for the bidders, but also assists the Evaluation Team in their determination (*see next page for schedules*).

**City of Cleveland  
Office of Equal Opportunity  
Schedules Checklist**

*This checklist will guide you through the Office of Equal Opportunity Schedules that must be completed and submitted as part of your bid or proposal and is used to determine a contractor's Good Faith Effort.*

**Schedule 1: Project Contact Information Form**

- ☐ Is all requested contact information included?
- ☐ Is the form complete and signed?

**Schedule 2: Schedule of Subcontractor Participation**

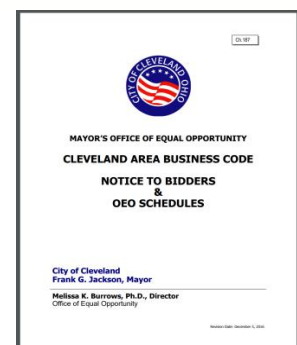
- ☐ Did you specify the total dollar amounts for each subcontract?
- ☐ Did you verify that each subcontractor is certified for the type of work to be performed?  
- Available on the City's website at: [www.city.cleveland.oh.us/oeo](http://www.city.cleveland.oh.us/oeo).
- ☐ Is the form complete and signed?

**Schedule 3: Statement of Intent to Perform as a Subcontractor**

- ☐ Did the subcontractor specify the total dollar amount of the subcontract?
- ☐ If applicable, has the re-subcontracting section been completed?
- ☐ Is the form complete and signed by the subcontractor?

**Schedule 4: CSB/MBE/FBE Subcontractor Unavailability/Impracticality Certification**

- ☐ Did you list all companies you have contacted? (If additional space is needed, attach a separate sheet)?
- ☐ If you are claiming that subcontracting is not available or practical on this contract, have you provided an explanation on a separate, attached sheet?
- ☐ Is the form complete and signed?



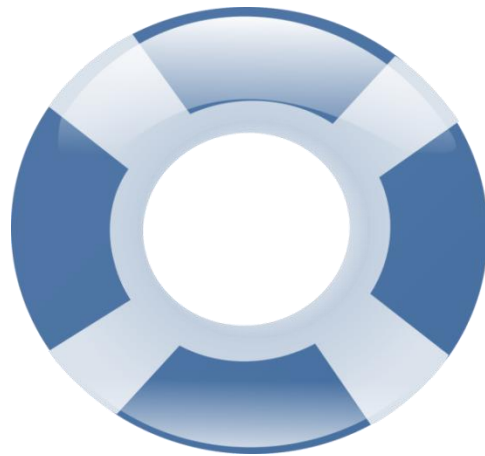


## Compliance Team

Throughout the life of a contract, the Compliance Team actively monitors projects from start to completion. Participation is closely monitored for compliance with MBE, FBE, and CSB subcontractor participation. Additionally, contracts are monitored for Cleveland Residency and Cleveland Low Income workforce participation.

### Compliance

*Monitors contracts for compliance with MBE, FBE, and CSB subcontractor participation as well as Cleveland Residency and Cleveland Low Income workforce participation.*



Based on the type of contract (design build, horizontal construction, vertical construction, professional services and other), there are various Citywide participation goals. More specifically, the participation goals for contracting in the City of Cleveland are as follows:

Citywide Goals	
Design Build	40% <b>CSB</b>
Horizontal Construction	30% <b>CSB</b>
Vertical Construction	<b>15% MBE; 8% CSB; 7% FBE*</b>
Other	20% <b>CSB</b>
Professional Services	10% <b>CSB</b>
*Only for Vertical Construction; due the City's Disparity Study	

*Figure 1: Citywide Goals*

In addition to citywide goals, the Cleveland Resident Employment Law requirements are as follows: <b>Cleveland Resident Employment Law Requirements</b>	
Cleveland Residents	20% of the contracts' total workforce hours
Low Income Workers	4% of the 20% of the contracts' workforce hours

*Figure 2: Cleveland Resident Employment Law Requirements*

Once contracts have ended, the Compliance Team conducts a final audit of the contract and then requests assistance by the Closeout Team for review and determination of whether the contract met the goals and requirements on the contract.

## A Farewell, But Not a Goodbye

December 24, 2019 marks an end to the City of Cleveland's Fannie M. Lewis Cleveland Resident Employment Ordinance for contracts beginning at \$100,000. Although the Ordinance remains in effect for any contract entered into prior to December 24<sup>th</sup>, all public improvement contracts signed after December 24<sup>th</sup> are no longer required to abide by the Ordinance. The Ohio Supreme Court denied reconsideration of the City's request to implement and enforce the Cleveland Resident Employment Law.

Specifically, 1) the Ordinance was dissolved based on the a prior injunction in favor of the City as issued by the trial court; and (2) the Courts entered judgment in favor of the State of Ohio, as issued on February 20, 2019 by the trial court following the remand from the Supreme Court of Ohio (after denial of the City's motion for reconsideration in the Ohio Supreme Court). The Ohio Supreme Court's decision marked the final step following the Supreme Court's 4 to 3 decision reversing the 8th District's decision in favor of the City. The OEO focus is currently on determining next steps beyond the Ordinance.

***Councilwoman Fannie M. Lewis***  
(June 6, 1926 – August 11, 2008)



*Photo Credit: City of Cleveland Photographic Bureau*

## Closeout Team

Once a project is complete, the Closeout Team carefully reviews and investigates whether all project goals and requirements have been met. In the event that a contractor breaches its construction obligation for Cleveland Resident Construction Hours as stated in Section 188.02 of the City's Ordinance, the project is delivered to the Closeout Team for penalty calculation.

The Closeout Team calculates a penalty at the rate of one-eighth of one percent (0.125%) of the final total amount of the Construction Contract for each percentage by which the contract fails to meet the requirement. If a Low Income objective is not met, the Director determines whether a penalty is appropriate by conducting a Significant Efforts Test. Contractors are entitled to appeal the determination of penalty within 10 days of receiving their notice of potential penalty.

In **2019, OEO assessed penalties totaling \$5,546.51 and \$923.37 was upheld** on City of Cleveland construction projects due to a lack of compliance. There was one (1) penalty hearing held in 2019 based on contractor appeals with one contractor appeal being overturned. Therefore, in 2019, one (1) contractor was penalized. All monies owed by contractors have been collected and are reinvested into training opportunities by OEO staff.

<u>Year</u>	<u>Assessments</u>	<u>Number of Firms</u>	<u>Penalty Hearings</u>	<u>Amount Penalized &amp; Upheld in Year</u>	<u>Amount Collected</u>
2012	13	6	2	\$30,768.00	\$30,768.00
2013	7	6	1	\$91,929.00	\$91,929.00
2014	33	21	9	\$101,500.00	\$94,842.00
2015	5	5	2	\$12,243.00	\$12,243.00
2016	9	9	1	\$138,894.00	\$44,080.00
2017	8	8	2	\$22,241.00	\$12,941.00
2018	6	6	2	\$74,576.72	\$73,806.72
2019	2	2	1	\$923.37	\$923.37

*Figure 3: Penalty Assessments*

## Closeout

*Evaluates final contract compliance at contract closeout, and assesses penalties where applicable.*

## Community Development and Economic Development

Unlike other departments, Community Development (CD) and Economic Development (ED) projects are funded by a variety of sources, including both private and public funds. City funds are typically a small percentage of a project's total costs, as the City invests in partially financing projects and ensuring that important neighborhood developments come to fruition. This allows a relatively small amount of City funding to leverage millions of dollars in additional subcontracting opportunities to certified firms. OEO requires that project owners commit to using certified MBE, FBE and CSB contractors as a condition of the City investment, as documented below.

### Community Development

In 2019, the City awarded approximately **\$4,587,305** in Community Development assistance to development projects, helping to create **\$7,998,592** in additional contracting commitments to certified firms.

2019 Contracting Commitments to Certified Firms				
Total Hard Construction Costs	CSB Commitments	MBE Commitments	FBE Commitments	Total Certified Commitments
\$23,928,548	\$1,953,282	\$3,565,082	\$2,480,228	<b>\$7,998,592</b>
	8.2%	14.9%	10.4%	34%

*Figure 4: Community Development Awards*

### Economic Development

In 2019, the City awarded approximately **\$20,461,135** in Economic Development assistance to development projects, helping to create **\$92,412,488** in additional contracting commitments to certified firms.

2019 Contracting Commitments to Certified Firms				
Total Hard Construction Costs	CSB Commitments	MBE Commitments	FBE Commitments	Total Certified Commitments
\$308,263,680	\$24,714,296	\$46,129,881	\$21,568,311	<b>\$92,412,488</b>
	8.0%	15.0%	7.0%	30%

*Figure 5: Economic Development Awards*

## Methodology

Results for 2019 were based upon contracts awarded during the year and monitored by OEO. City Board of Control (BOC) records were the primary data source for contract awards over \$50,000. As previously noted, Community Development and Economic Development contracts are not subject to BOC approval, and therefore recorded separately.

### Certification Data

The Office of Equal Opportunity administers a certification program to identify Cleveland-Area Small, Minority, Female, Local Producer, Sustainable, and Storefront Renovation Program (CSB, MBE, FBE, LPE, SUBE, & SRP) businesses participating in the procurement activities of the City of Cleveland. Certification is a review process designed to ensure and confirm that a local small business is actually located within the Cleveland contracting market, as well as, owned, controlled, and operated by the applicants.

The certification program creates a registry of the local, minority, and female owned businesses, which serves as a directory of products and services that identifies businesses available for procurement and subcontracting opportunities. Certification is validated on an annual basis.

City contract awards are reported as a percentage given to CSB, MBE, and FBE owned firms. The contract amounts are divided among the various certification areas as follows:

- Cleveland-Area Small Business (CSB)
- Minority Business Enterprises (MBE)
- Female Business Enterprises (FBE)

Presently, there are **631** firms certified by the City of Cleveland and 125 monitored contracts in 2019. OEO has an electronic certification registry available for view on the OEO link on the City of Cleveland website: <http://www.cleveland.diversitycompliance.com>. The Certification Registry provides a user-friendly method for both internal and external use allowing parties access to information on companies that are certified by the City, including the type of certification obtained. The registry is updated on a daily basis.



## Summary of Results for Contract Awards in 2019

OEO strives to administer, monitor and enforce the City's MBE, FBE, and CSB Enterprise codes for participation of prime and sub-contractors on municipal contracts. The staff evaluates City contracts to determine the appropriate goals based upon contract type and to validate participation levels (spend) of CSB, MBE, and FBE.

The City has established participation goals for prime and sub-contractors within five categories that routinely secure city contracts (see **Figure 1**). These categories include design build, construction, professional services, and "other." The category "other" includes supplies, requirement contracts, maintenance contracts, etc.

The City of Cleveland is required to periodically perform a disparity study to track the legitimacy of the program. Disparity studies determine whether barriers exist in the marketplace that may prevent small, minority and/or female-owned businesses from participating in both government and private sector contracting. OEO's most recent disparity study was concluded in December 2012. The Division of Purchases & Supplies and OEO have begun meeting in preparation for a new disparity study. Due to the potential cost of a new disparity study, OEO will work with the Finance Department with including a line item in next year's budget for an updated study.

Based on a prior disparity study, **only** vertical construction contracts have specific MBE (15%), FBE (7%) and CSB (8%) participation goals. The study found that only this sub-sector within the construction category lacks the diversification needed to reflect doing business in Cleveland. The remaining contract types have CSB goals.

## **PRIME AWARDS**

### **Certified Primes**

Certified prime contractors account for approximately **\$102,504,630.80 million worth of prime contract awards in 2019** compared to \$58,007,937.48 million in 2018. Of the **45.2%** of all prime contracts awarded by the City of Cleveland that were awarded to firms certified with the Office of Equal Opportunity, the majority of contracts were awarded to Cleveland-Area Small Business (CSB) Enterprise primes, representing 72.8% or \$74,670,707.33 million. In 2019, the percentages of certified prime awards are listed in Figure 3.

<b>Certified Primes</b>	
<b>Total Received:</b>	<b>\$102,504,630.80</b>
<b>CSB</b>	\$74,670,707.33
<i>CSB % of total</i>	<i>72.9%</i>
<b>CSB/MBE</b>	\$10,257,051.95
<i>CSB/MBE % of total</i>	<i>10.0%</i>
<b>CSB/MBE/FBE</b>	\$353,640.00
<i>CSB/MBE/FBE % of total</i>	<i>0.3%</i>
<b>CSB/FBE</b>	\$11,723,231.52
<i>CSB/FBE % of total</i>	<i>11.4%</i>
<b>MBE</b>	\$5,500,000.00
<i>MBE % of total</i>	<i>5.4%</i>

*Figure 6: Certified Prime – Contract Awards*

A further breakdown of total dollars spent on Certified Primes in 2019 is as follows:

<b>Certified Primes 2019</b>				
	<b><u>Construction</u></b>	<b><u>Professional Services</u></b>	<b><u>Other Services</u></b>	<b><u>Total</u></b>
<b>CSB</b>	\$52,688,195.01	\$2,951,737.32	\$19,030,775.00	<b>\$74,670,707.33</b>
<b>CSB/MBE</b>	\$9,659,353.95	\$0	\$597,698.00	<b>\$10,257,051.95</b>
<b>CSB/MBE/FBE</b>	\$0	\$0	\$353,640.00	<b>\$353,640.00</b>
<b>CSB/FBE</b>	\$6,199,912.72	\$0	\$5,523,318.80	<b>\$11,723,231.52</b>
<b>MBE</b>	\$0	\$2,500,000.00	\$3,000,000.00	<b>\$5,500,000.00</b>
<b>Totals</b>	<b>\$68,547,461.68</b>	<b>\$5,451,737.32</b>	<b>\$28,505,431.80</b>	<b>\$102,504,630.80</b>

*Figure 7: Certified Primes – Total Dollar Breakdown*

Certified Cleveland-Area Small Business Enterprise (CSB) **prime** contractors accounted for **\$74,670,707.33 in 2019**. Specifically, in 2019, CSB primes accounted for **72.9%** of all contract awards on City monitored contracts.

<b>Cleveland-Area Small Business (CSB) Primes</b>	
<b>Total Received:</b>	<b>\$74,670,707.33</b>

*Figure 8: CSB Owned Primes – Contract Awards*

<b>Cleveland-Area Small Business (CSB) Primes 2019</b>				
	<b><u>Construction</u></b>	<b><u>Professional Serv.</u></b>	<b><u>Other Services</u></b>	<b><u>Total</u></b>
<b>CSB</b>	\$52,688,195.01	\$2,951,737.32	\$19,030,775.00	<b>\$74,670,707.33</b>

*Figure 9: CSB Owned Primes – Total Dollar Breakdown*

Certified Cleveland-Area Small Business (CSB)/Minority Business Enterprise (MBE) **prime** contractors accounted for **\$10,257,051.95 in 2019**. Specifically, in 2019, CSB/MBE primes accounted for **10.0%** of all contract awards on City monitored contracts.

<b>Cleveland-Area Small Business (CSB)/Minority Business Enterprise (MBE) Primes</b>	
<b>Total Received:</b>	<b>\$10,257,051.95</b>

*Figure 10: CSB/MBE Owned Primes – Contract Awards*

<b>Cleveland-Area Small Business (CSB)/Minority Business Enterprise (MBE) Primes 2019</b>				
	<b><u>Construction</u></b>	<b><u>Professional Serv.</u></b>	<b><u>Other Services</u></b>	<b><u>Total</u></b>
<b>CSB/MBE</b>	\$9,659,353.95	\$0	\$597,698.00	<b>\$10,257,051.95</b>

*Figure 11: CSB/MBE Owned Primes – Total Dollar Breakdown*

Certified Cleveland-Area Small Business (CSB)/Minority Business Enterprises (MBE)/Female Business Enterprise (FBE) **prime** contractors accounted for **\$353,640.00 in 2019**. Specifically, in 2019, CSB/MBE/FBE primes accounted for **0.3%** of all contract awards on City monitored contracts.

Cleveland-Area Small Business (CSB)/Minority Business Enterprise (MBE)/Female Business Enterprise (FBE) Primes	
Total Received:	\$353,640.00

*Figure 12: CSB/MBE/FBE Owned Primes – Contract Awards*

Cleveland-Area Small Business (CSB)/Minority Business Enterprise (MBE)/Female Business Enterprise (FBE) Primes 2019				
	<u>Construction</u>	<u>Professional Serv.</u>	<u>Other Services</u>	<u>Total</u>
CSB/MBE/FBE	\$0	\$0	\$353,640.00	\$353,640.00

*Figure 13: CSB/MBE/FBE Owned Primes – Total Dollar Breakdown*

Certified Cleveland-Area Small Business (CSB)/Female Business Enterprise (FBE) **prime** contractors accounted for **\$11,723,231.52 in 2019**. Specifically, in 2019, CSB/FBE primes accounted for **11.4%** of all contract awards on City monitored contracts.

Cleveland-Area Small Business (CSB)/Female Business Enterprise (FBE) Primes	
Total Received:	\$11,723,231.52

*Figure 14: CSB/FBE Owned Primes – Contract Awards*

Cleveland-Area Small Business (CSB)/Female Business Enterprise (FBE) Primes 2019				
	<u>Construction</u>	<u>Professional Serv.</u>	<u>Other Services</u>	<u>Total</u>
(CSB)/FBE	\$6,199,912.72	\$0	\$5,523,318.80	\$11,723,231.52

*Figure 15: CSB/FBE Owned Primes – Total Dollar Breakdown*

Certified Minority Business Enterprise (MBE) **prime** contractors accounted for **\$5,550,000.00 in 2019**. Specifically, in 2019, MBE primes accounted for **5.4%** of all contract awards on City monitored contracts.

Minority Business Enterprise (MBE) Primes	
Total Received:	\$5,550,000.00

*Figure 16: MBE Owned Primes – Contract Awards*

Minority Business Enterprise (MBE) Primes 2019				
	<u>Construction</u>	<u>Professional Serv.</u>	<u>Other Services</u>	<u>Total</u>
<b>MBE</b>	\$0	\$0	\$5,500,000.00	\$5,550,000.00

*Figure 17: MBE Owned Primes – Total Dollar Breakdown*

## **SUBCONTRACTOR AWARDS**

### **Certified Subcontractors**

In 2019, certified subcontractors received nearly **\$61 million** (\$60,813,660.35) in **subcontracting opportunities** compared to \$36 million in 2018 on City of Cleveland projects. The greatest subcontracting participation occurred with Cleveland-Area Small Businesses (CSBs) contractors representing 41.2%.

<b>Certified Subcontractors</b>	
<b>Total Received:</b>	<b>\$61,139,086.72</b>
<b>CSB</b>	\$25,133,482.26
<i>CSB % of total</i>	<i>41.2%</i>
<b>CSB/MBE</b>	\$8,153,330.00
<i>CSB/MBE % of total</i>	<i>13.4%</i>
<b>CSB/MBE/FBE</b>	\$13,330,280.00
<i>CSB/MBE/FBE % of total</i>	<i>21.8%</i>
<b>FBE</b>	\$1,806,702.44
<i>FBE % of total</i>	<i>3.0%</i>
<b>CSB/FBE</b>	\$10,511,701.44
<i>CSB/FBE % of total</i>	<i>17.2%</i>
<b>MBE</b>	\$863,500.00
<i>MBE % of total</i>	<i>1.4%</i>
<b>MBE/FBE</b>	\$1,273,655.00
<i>MBE/FBE % of total</i>	<i>2.1%</i>

*Figure 18: Certified Subcontractors – Contract Awards*

A further breakdown of total dollars spent on Certified Subcontractors in 2019 is as follows:

<b>Certified Subcontractors 2019</b>				
	<b><u>Construction</u></b>	<b><u>Professional Services</u></b>	<b><u>Other Services</u></b>	<b><u>Total</u></b>
<b>CSB</b>	\$19,924,932.46	\$2,484,892.80	\$2,723,657.00	<b>\$25,133,482.26</b>
<b>CSB/MBE</b>	\$4,428,697.00	\$183,628.00	\$3,541,005.00	<b>\$8,153,330.00</b>
<b>CSB/MBE/FBE</b>	\$10,104,572.00	\$472,3509.00	\$2,753,358.00	<b>\$13,330,280.00</b>
<b>FBE</b>	\$786,300.00	\$148,453.65	\$871,949.00	<b>\$1,806,702.65</b>
<b>CSB/FBE</b>	\$7,074,485.53	\$293,072.00	\$3,144,143.91	<b>\$10,511,701.44</b>
<b>MBE</b>	\$863,500.00	\$0	\$0	<b>\$863,500.00</b>
<b>MBE/FBE</b>	\$1,263,655.00	\$10,000.00	\$0	<b>\$1,273,655.00</b>
<b>Totals</b>	<b>\$44,446,141.99</b>	<b>\$3,578,396.45</b>	<b>\$13,034,112.91</b>	<b>\$61,072,651.35</b>

*Figure 19: Certified Subcontractors – Total Dollar Breakdown*



Certified Cleveland-Area Small Business (CSB) **subcontractors** accounted for **\$25,133,482.26** in 2019. Specifically, in 2019, CSB subcontractors received **41.2%** of all subcontract awards on City monitored contracts.

<b>Cleveland-Area Small Business (CSB) Subcontractors</b>	
<b>Total Received:</b>	<b>\$25,133,482.26</b>

*Figure 20: CSB Owned Subcontractors – Contract Awards*

<b>Cleveland-Area Small Business (CSB) Subcontractors 2019</b>				
	<u><b>Construction</b></u>	<u><b>Professional Serv.</b></u>	<u><b>Other Services</b></u>	<u><b>Total</b></u>
<b>CSB</b>	\$19,924,932.46	\$2,484,892.80	\$2,723,657.00	<b>\$25,133,482.26</b>

*Figure 21: CSB Owned Subcontractors – Total Dollar Breakdown*

Certified Cleveland-Area Small Business Enterprise (CSB)/Minority Business Enterprise (MBE) **subcontractors** accounted for **\$8,153,330.00** in 2019. Specifically, in 2019, CSB/MBE subcontractors received **13.4%** of all subcontract awards on City monitored contracts.

<b>Cleveland-Area Small Business (CSB)/Minority Business Enterprise (MBE) Subcontractors</b>	
<b>Total Received:</b>	<b>\$8,153,330.00</b>

*Figure 22: CSB/MBE Owned Subcontractors – Contract Awards*

<b>Cleveland-Area Small Business (CSB)/Minority Business Enterprise (MBE) Subcontractors 2019</b>				
	<u><b>Construction</b></u>	<u><b>Professional Serv.</b></u>	<u><b>Other Services</b></u>	<u><b>Total</b></u>
<b>CSB/MBE</b>	\$4,428,697.00	\$183,628.00	\$3,541,005.00	<b>\$8,153,330.00</b>

*Figure 23: CSB/MBE Owned Subcontractors – Total Dollar Breakdown*

Certified Cleveland-Area Small Business Enterprise (CSB)/Minority Business Enterprise (MBE)/Female Business Enterprise (FBE) **subcontractors** accounted for **\$13,330,280.00** in **2019**. Specifically, in 2019, CSB/MBE/FBE subcontractors received **21.8%** of all subcontract awards on City monitored contracts.

Cleveland-Area Small Business (CSB)/Minority Business Enterprise (MBE)/Female Business Enterprise (FBE) Subcontractors	
Total Received:	\$13,330,280.00

Figure 24: CSB/MBE/FBE Owned Subcontractors – Contract Awards

Cleveland-Area Small Business (CSB)/Minority Business Enterprise (MBE)/Female Business Enterprise (FBE) Subcontractors 2019				
	Construction	Professional Serv.	Other Services	Total
CSB/MBE/FBE	\$10,104,572.00	\$472,350.00	\$2,753,358.00	\$13,330,280.00

Figure 25: CSB/MBE/FBE Owned Subcontractors – Total Dollar Breakdown

Female Business Enterprise (FBE) **subcontractors** accounted for **\$1,806,702.65** in **2019**. Specifically, in 2019, FBE subcontractors received **3.0%** of all subcontract awards on City monitored contracts.

Female Business Enterprise (FBE) Subcontractors	
Total Received:	\$1,806,702.65

Figure 26: FBE Owned Subcontractors – Contract Awards

Female Business Enterprise (FBE) Subcontractors 2019				
	Construction	Professional Serv.	Other Services	Total
FBE	\$786,300.00	\$148,453.65	\$871,949.00	\$1,806,702.65

Figure 27: FBE Owned Subcontractors – Total Dollar Breakdown

Cleveland-Area Small Business Enterprise (CSB)/Female Business Enterprise (FBE) **subcontractors** accounted for **\$706,327.25 in 2019**. Specifically, in 2019, CSB/FBE subcontractors received **17.2%** of all subcontract awards on City monitored contracts.

<b>Cleveland-Area Small Business (CSB)/Female Business Enterprise (FBE) Subcontractors</b>	
<b>Total Received:</b>	<b>\$10,511.701.44</b>

*Figure 28: CSB/FBE Owned Subcontractors – Contract Awards*

<b>Cleveland-Area Small Business (CSB)/Female Business Enterprise (FBE) Subcontractors 2019</b>				
	<b>Construction</b>	<b>Professional Serv.</b>	<b>Other Services</b>	<b>Total</b>
<b>(CSB)/FBE</b>	\$706,327.25	\$293,072.00	\$3,144,143.91	<b>\$10,511.701.44</b>

*Figure 29: CSB/FBE Owned Subcontractors – Total Dollar Breakdown*

Minority Business Enterprise (MBE) **subcontractors** accounted for **\$863,500.00 in 2019**. Specifically, in 2019, MBE subcontractors received **1.4%** of all subcontract awards on City monitored contracts.

<b>Minority Business Enterprise (MBE) Subcontractors</b>	
<b>Total Received:</b>	<b>\$863,500.00</b>

*Figure 30: MBE Owned Subcontractors – Contract Awards*

<b>Minority Business Enterprise (MBE) Subcontractors 2019</b>				
	<b>Construction</b>	<b>Professional Serv.</b>	<b>Other Services</b>	<b>Total</b>
<b>MBE</b>	\$863,500.00	\$0	\$0	<b>\$863,500.00</b>

*Figure 31: MBE Owned Subcontractors – Total Dollar Breakdown*

Certified Minority Business Enterprise (MBE)/Female Business Enterprise (FBE) subcontractors accounted for **\$1,273,655.00 in 2019**. Specifically, in 2019, CSB/MBE subcontractors received **2.1%** of all subcontract awards on City monitored contracts.

<b>Minority Business Enterprise (MBE)/Female Business Enterprise (FBE) Subcontractors</b>	
<b>Total Received:</b>	<b>\$1,273,655.00</b>

*Figure 32: MBE/FBE Owned Subcontractors – Contract Awards*

<b>Minority Business Enterprise (MBE)/Female Business Enterprise (FBE) Subcontractors 2019</b>				
	<b><u>Construction</u></b>	<b><u>Professional Serv.</u></b>	<b><u>Other Services</u></b>	<b><u>Total</u></b>
<b>MBE/FBE</b>	\$1,263,655.00	\$10,000.00	\$0	<b>\$1,273,655.00</b>

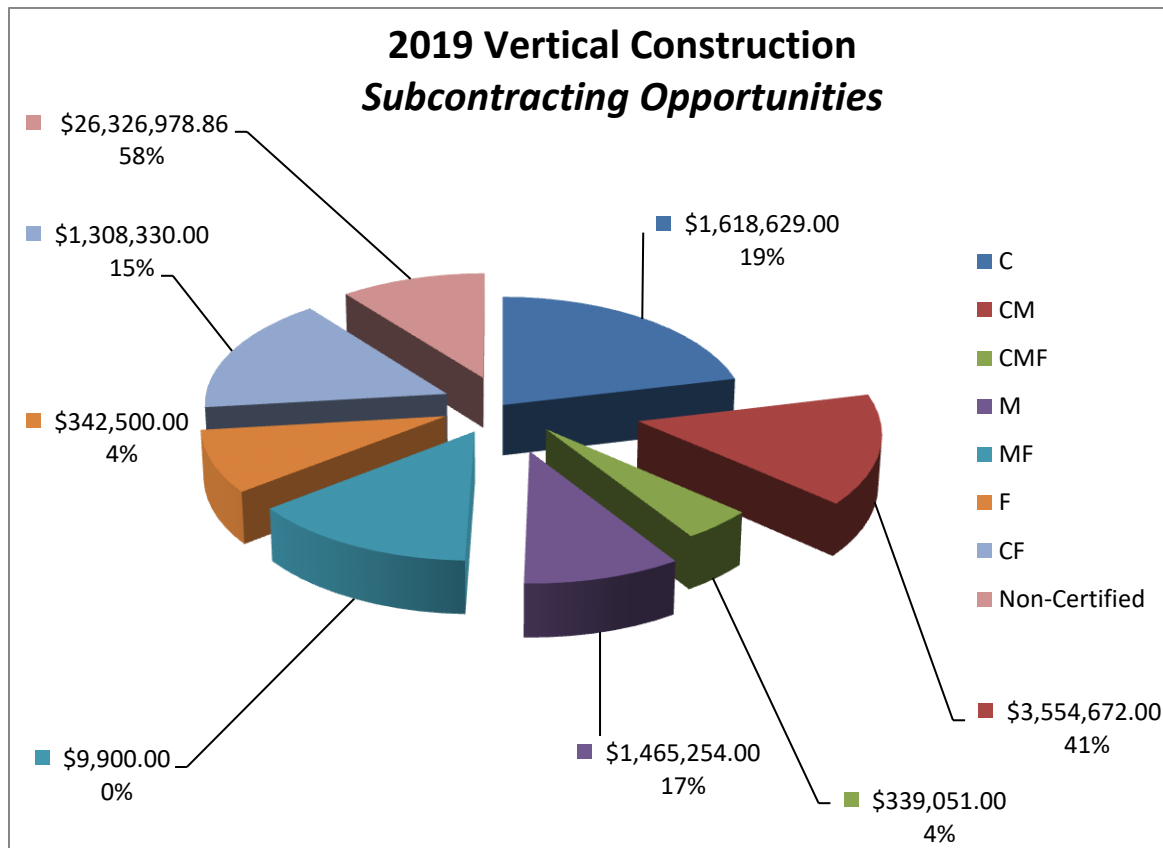
*Figure 33: MBE/FBE Owned Subcontractors – Total Dollar Breakdown*

## Contract Compliance and Monitoring

### Vertical Construction

In general, **Vertical Construction** refers to the building of structures from the foundation up. In 2019, the city awarded **\$52,015,225.32** to firms in the Vertical Construction category (including both Vertical Prime Contractors and Subcontractors). Specifically, **Certified Vertical Prime Contractors** were awarded **\$15,575,484.62 (29.9%)** of Vertical Construction contracts. Additionally, **Certified Vertical Subcontractors** were awarded **\$8,122,021.00 (15.6%)** of the 2019 contracts.

The chart below represents Certified Vertical Subcontracting participation:



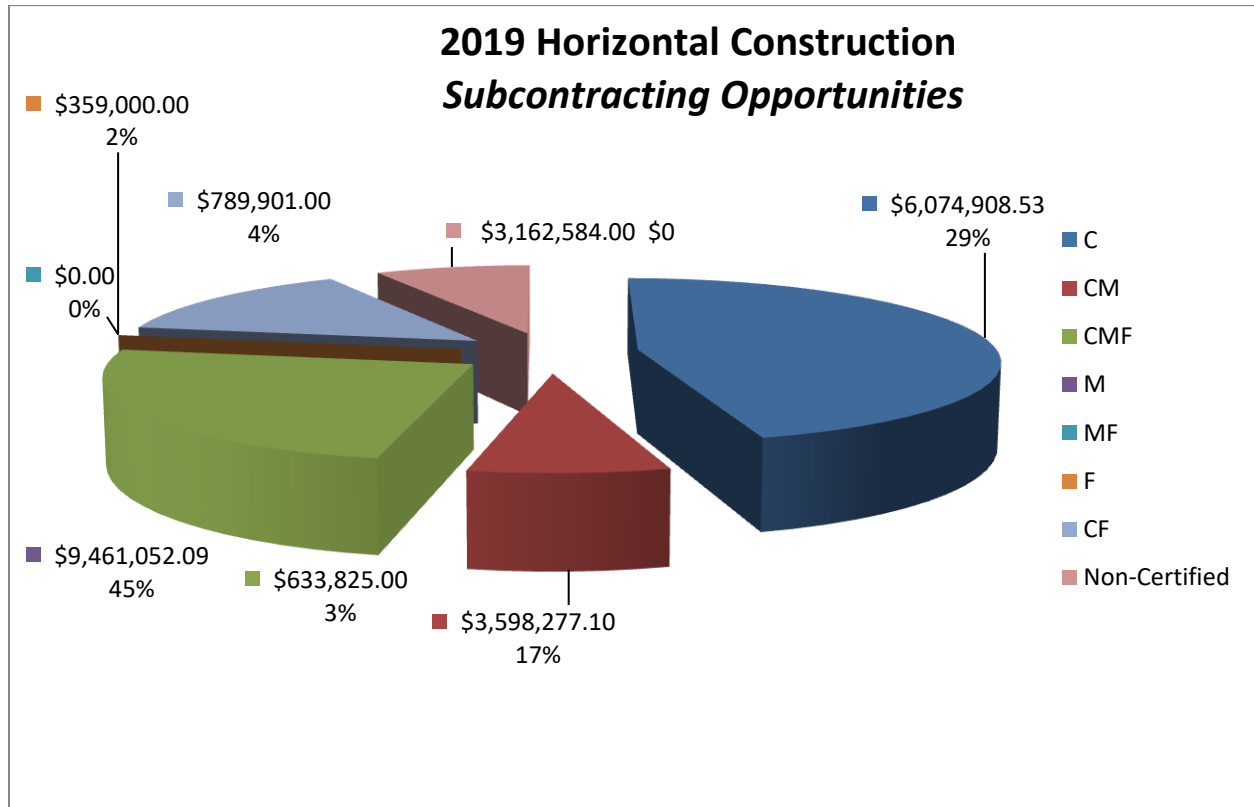
*Figure 34: Certified Subcontractor Awards – Vertical Construction*

The OEO goal for the Vertical Construction category is **30%** combined MBE, FBE, and CSB subcontractor participation. In 2019 the City awarded **15.6%** of all its Vertical Construction contract dollars to certified subcontractors.

## Horizontal Construction

**Horizontal Construction** projects are streetscape and utilities projects that provide the city infrastructure. In 2019, the city awarded **\$85,384,584.56** to firms in the Horizontal Construction category (including both Vertical Prime Contractors and Subcontractors). Specifically, **Certified Horizontal Prime** Contractors were awarded **\$52,971,977.06 (62.0%)** of Horizontal Construction contracts. Additionally, **Certified Horizontal Subcontractors** were awarded **\$36,079,129.99 (42.2%)** of the 2019 contracts.

The chart below represents Certified Horizontal Subcontracting participation:



*Figure 35: Certified Subcontractor Awards – Horizontal Construction*

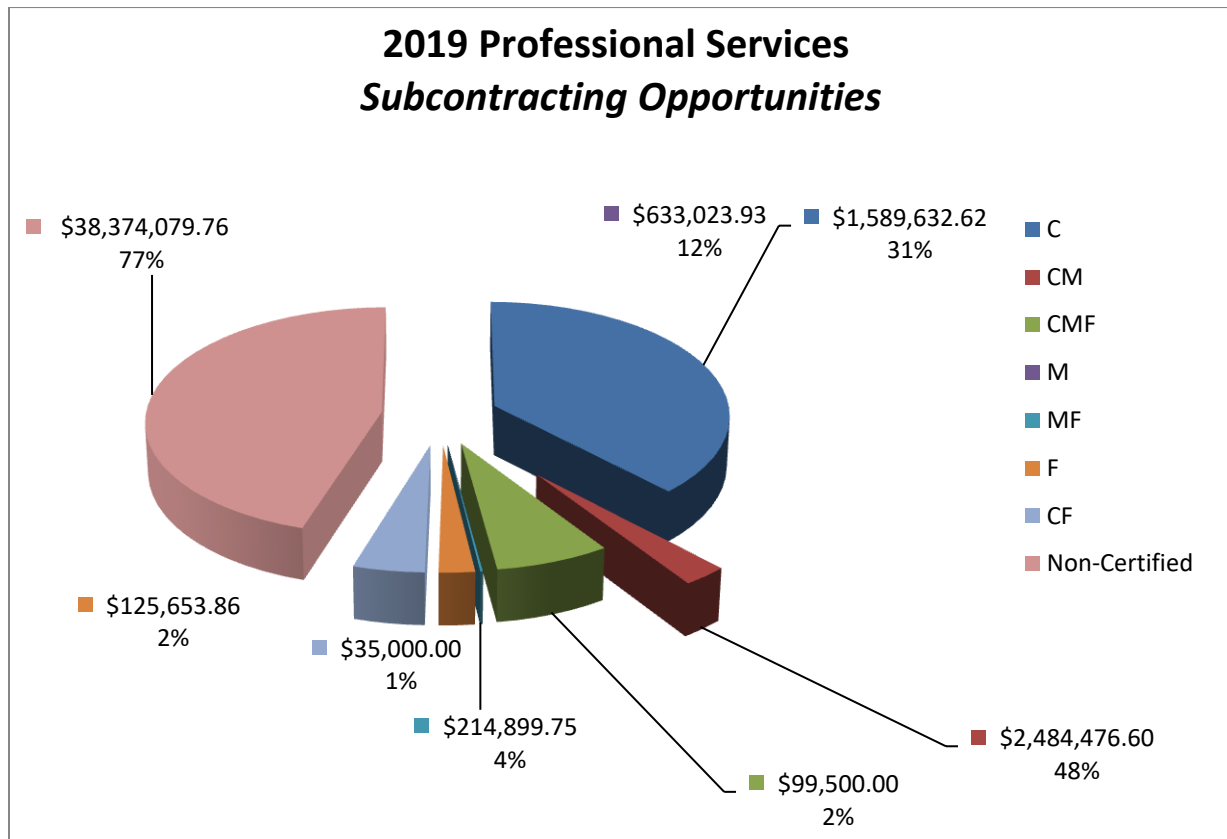
The OEO goal for the horizontal construction category is **30%** CSB subcontractor participation. In 2019 the City awarded **42.2%** of all its Vertical Construction contract dollars to certified subcontractors.



## Professional Services

Professional Services projects are those contracts that provide general consulting services for the city. In 2019, the city awarded **\$28,152,269.63** to firms in the Professional Services category (including both Vertical Prime Contractors and Subcontractors). Specifically, **Certified Prime** firms were awarded **\$5,451,737.32 (19.4%)** of Professional Service contracts. Additionally, **Certified Professional Services Subcontractors** were awarded **\$3,578,396.45 (12.7%)** of the 2019 contracts.

The chart below represents Certified Professional Services Subcontracting participation:



*Figure 36: Certified Subcontractor Awards – Professional Services*

The OEO goal for the professional services category is **10%** CSB subcontractor participation. In 2019 the City awarded **12.7%** of contract dollars in this category to certified subcontractors.

## Minority Business Enterprise Combined Spend

The Office of Equal Opportunity measures the combined prime contracting and subcontracting spend with certified minority-owned businesses. This includes businesses certified as MBE, MBE/FBE, CSB/MBE, and CSB/MBE/FBE.

Minority Business Enterprise Combined Prime and Subcontractor Awards 2019				
	<u>Prime Awards</u>	<u>Sub Awards</u>	<u>MBE Subs of MBE Primes</u>	<u>Total</u>
Minority Businesses	\$16,247,442.46	\$23,620,765.00	\$2,295,930.00	\$37,572,277.46

*Figure 37: Minority Business Awards Overall*

In 2019, the total award of contracts to minority-owned businesses was **16.6%** of the total OEO monitored contracts awarded.

## Female Business Enterprise Combined Spend

The Office of Equal Opportunity measures the combined prime contracting and subcontracting spend with certified minority-owned businesses. This includes businesses certified as FBE, MBE/FBE, CSB/FBE, and CSB/MBE/FBE.

Female Business Enterprise Combined Prime and Subcontractor Awards 2019				
	<u>Prime Awards</u>	<u>Sub Awards</u>	<u>MBE Subs of MBE Primes</u>	<u>Total</u>
Female Businesses	\$13,911,599.01	\$26,922,339.09	\$1,323,082.49	\$39,510,855.61

*Figure 38: Female Business Awards Overall*

In 2019, the total award of contracts to female-owned businesses was **17.4%** of the total OEO monitored contracts awarded.



*Photo Credit: City of Cleveland Photographic Bureau*



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